

**FILED**

CLERK, U.S. DISTRICT COURT

**9/30/2022**

CENTRAL DISTRICT OF CALIFORNIA

BY: \_\_\_\_\_ DTA \_\_\_\_\_ DEPUTY

UNITED STATES DISTRICT COURT  
FOR THE CENTRAL DISTRICT OF CALIFORNIA

UNITED STATES OF AMERICA,  
  
Plaintiff,  
  
v.  
  
LIZETTE BERRIOS LATHON,  
  
Defendant.

ED CR No. 5:22-cr-00229-FMO

I N F O R M A T I O N

[18 U.S.C. § 1349: Conspiracy to  
Commit Mail and Wire Fraud; 18  
U.S.C. § 1343: Wire Fraud; 18  
U.S.C. § 1028A(a)(1): Aggravated  
Identity Theft; 18 U.S.C.  
§ 981(a)(1)(C) and 28 U.S.C.  
§ 2461(c): Criminal Forfeiture]

The United States Attorney charges:

COUNT ONE

[18 U.S.C. § 1349]

A. INTRODUCTORY ALLEGATIONS

At times relevant to this Information:

1. Defendant LIZETTE BERRIOS LATHON was a resident of Moreno  
Valley, California.

2. Beginning no later than 2014, and continuing to the  
present, defendant LATHON operated at least three businesses involved  
in providing tax preparation services to the public: Miracle Tax

1 Services, Hardcore Corporation (doing business as "Hardcore Taxes"),  
2 and Lathon LLC (doing business as "LL Taxes"). Individuals seeking  
3 tax preparation services from defendant LATHON provided her with  
4 their personal identifying information ("PII"), including their  
5 names, dates of birth, and social security numbers.

6 3. California's Employment Development Department ("EDD") was  
7 the administrator of the unemployment insurance ("UI") benefit  
8 program for the State of California.

9 4. On March 13, 2020, the President of the United States  
10 declared COVID-19 an emergency under the Robert T. Stafford Disaster  
11 Relief and Emergency Assistance Act. As a result, Congress passed  
12 the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act"),  
13 which the President signed into law on March 27, 2020. The CARES Act  
14 provided over \$2 trillion in economic relief protections to the  
15 American people from the public health and economic impacts of COVID-  
16 19.

17 5. Prior to the enactment of the CARES Act, to be eligible for  
18 UI administered by EDD, a person had to have been employed and worked  
19 in California and received at least a certain amount of wages from an  
20 employer in the 18 months preceding his/her UI benefits claim.  
21 Because of this requirement, self-employed workers, independent  
22 contractors, and employees with insufficient earnings were not  
23 eligible to receive regular UI benefits.

24 6. The CARES Act established a new program - Pandemic  
25 Unemployment Assistance ("PUA") -- to provide unemployment benefits  
26 during the COVID-19 pandemic to people who did not qualify for  
27 regular unemployment insurance benefits, including business owners,  
28 self-employed workers, independent contractors, and those with

1 limited work history who were out of business or had significantly  
2 reduced their services as a direct result of the pandemic. UI  
3 benefits provided under the PUA program were sometimes referred to as  
4 PUA benefits.

5 7. Under the PUA provisions of the CARES Act, a person who was  
6 a business owner, self-employed worker, independent contractor, or  
7 gig worker could qualify for PUA benefits administered by EDD if  
8 he/she previously performed such work in California and was  
9 unemployed, partially unemployed, unable to work, or unavailable to  
10 work due to a COVID-19-related reason.

11 8. Persons applying for PUA benefits did not need to submit  
12 any supporting documents to EDD with their applications. Claimants  
13 entered their total income for the 2019 calendar year on the  
14 application. The stated income was used to pay the minimum benefits  
15 of \$167 per week. EDD could request documentation to provide proof  
16 of the stated income.

17 9. A PUA claimant was required to answer various questions to  
18 establish his/her eligibility for PUA benefits. The claimant was  
19 required to provide his/her name, social security number, and mailing  
20 address. The claimant was also required to identify a qualifying  
21 occupational status and COVID-19 related reason for being out of  
22 work.

23 10. After it accepted a UI claim, including a claim submitted  
24 pursuant to the PUA program, EDD typically deposited UI funds every  
25 two weeks to an Electronic Benefit Payment ("EBP") debit card  
26 administered by Bank of America ("BoFA"), which the claimant could  
27 use to pay for his/her expenses. The EBP debit card was mailed via  
28

1 the United States Postal Service to the claimant at the address the  
2 claimant provided in his/her UI application.

3 B. THE OBJECTS OF THE CONSPIRACY

4 Beginning no later than on or about February 2, 2020, and  
5 continuing through at least on or about March 23, 2021, in Riverside  
6 County within the Central District of California, and elsewhere,  
7 defendant LATHON and her spouse, Co-conspirator 1, together with  
8 others known and unknown to the United States Attorney, knowingly and  
9 with intent to defraud, conspired to commit offenses against the  
10 United States, namely, mail fraud, in violation of Title 18, United  
11 States Code, Section 1341, and wire fraud, in violation of Title 18,  
12 United States Code, Section 1343.

13 C. THE MANNER AND MEANS OF THE CONSPIRACY

14 11. The objects of the conspiracy were carried out, and were to  
15 be carried out, in substance, as follows:

16 a. Defendant LATHON filed and caused the filing with EDD  
17 of fraudulent applications for UI benefits that falsely asserted the  
18 named claimants were self-employed independent contractors who had  
19 been negatively affected by the COVID-19 pandemic, thereby triggering  
20 eligibility for UI benefits under the PUA provision of the CARES Act.  
21 In some instances, defendant LATHON submitted fraudulent applications  
22 for UI benefits using names, social security numbers and dates of  
23 birth that she obtained from former clients of her tax preparation  
24 businesses without the permission of those former clients. Defendant  
25 LATHON also submitted for filing UI applications using third parties'  
26 names, dates of birth, and social security numbers. In all  
27 instances, defendant LATHON submitted the applications using others'  
28 PII intending to secure the benefits for herself and her family by

1 having the EBP debit cards mailed to addresses she and her family,  
2 including Co-conspirator 1, controlled.

3           b. In some instances, defendant LATHON falsely asserted  
4 and caused to be asserted on the UI applications submitted in  
5 furtherance of the conspiracy that the claimants were residents of  
6 California entitled to UI benefits administered by EDD when, in fact,  
7 they were not, and defendant LATHON knew they were not.

8           c. In some instances, defendant LATHON falsely asserted  
9 and caused to be asserted inflated income for the named claimants on  
10 their applications in order to receive the maximum benefit amount.

11           d. In some instances, defendant LATHON made up and caused  
12 to be made up the occupation that was listed for the named claimant  
13 on the application.

14           e. To the contrary, and as defendant LATHON then well  
15 knew, many of the persons named as claimants on the applications that  
16 defendant LATHON filed and caused to be filed had no residential  
17 history in the State of California and/or had not been employed in  
18 the occupations that defendant LATHON reported and caused to be  
19 reported on the UI benefits applications she submitted and caused to  
20 be submitted in the names of the named claimants.

21           f. By falsely asserting that the claimants had worked in  
22 the State of California as independent contractors who had lost work  
23 because of COVID-19, defendant LATHON falsely represented and caused  
24 to be falsely represented that the named claimants were entitled to  
25 UI benefits administered by EDD when, as defendant LATHON then knew,  
26 they were not.

27           g. As a result of the fraudulent UI benefit claims that  
28 defendant LATHON filed and caused to be filed, EDD authorized BofA to

1 issue EBP debit cards in the names of the named claimants. Defendant  
2 LATHON knew that the applications she submitted would cause BofA to  
3 mail EBP debit cards issued to the named claimants via the United  
4 States Postal Service to the addresses defendant LATHON provided on  
5 the fraudulent UI claim applications, including addresses that  
6 defendant LATHON and her co-conspirators controlled.

7 h. Defendant LATHON and Co-conspirator 1 would use the  
8 EBP debit cards, or direct others to use the EBP debit cards, to make  
9 cash withdrawals at automated teller machines ("ATMs") and to make  
10 purchases at retail stores, both types of transactions involved wire  
11 communication in interstate commerce.

12 i. Through this conspiracy, defendant LATHON and Co-  
13 conspirator 1 caused at least 44 fraudulent PUA claims to be filed,  
14 resulting in losses to EDD and the United States Treasury of  
15 approximately \$998,630.

16 D. OVERT ACTS

17 12. In furtherance of the conspiracy and to accomplish its  
18 objects, defendant LATHON and Co-conspirator 1, and other co-  
19 conspirators known and unknown to the United States Attorney,  
20 committed, and willfully caused others to commit, various overt acts  
21 within the Central District of California, and elsewhere, including,  
22 but not limited to, the following:

23 Overt Act No. 1: On June 29, 2020, defendant LATHON used the  
24 EBP debit card held in victim M.C.'s name to withdraw \$1,000 from an  
25 ATM in Moreno, California.

26 Overt Act No. 2: On August 31, 2020, defendant LATHON used  
27 the EBP debit card held in victim O.O.'s name to withdraw \$1,000 from  
28 an ATM in Moreno Valley, California.

1        Overt Act No. 3:        On September 7, 2020, defendant LATHON and  
2 Co-conspirator 1 used the EBP debit cards held in the names of  
3 victims L.L. and D.P. to withdraw \$2,000 from an ATM in Upland,  
4 California.

5        Overt Act No. 4:        On March 23, 2021, defendant LATHON  
6 possessed handwritten notes containing victim A.F.'s name, date of  
7 birth, and social security number, and an e-mail address containing  
8 A.F.'s name.

COUNT TWO

[18 U.S.C. § 1028A(a)(1)]

On or about August 5, 2020, in Riverside County, within the Central District of California, defendant LIZETTE BERRIOS LATHON knowingly possessed and used, without lawful authority, means of identification that defendant LATHON knew belonged to another person, namely, the name and social security number of victim M.Q., during and in relation to the offense of Conspiracy to Commit Mail Fraud and Wire Fraud, a felony in violation of Title 18, United States Code, Section 1349, as charged in Count One of this Information.



COUNT THREE

[18 U.S.C. § 1341]

A. INTRODUCTORY ALLEGATIONS

1. At all times relevant to this Information, defendant LIZETTE BERRIOS LATHON was a resident of Riverside County, California, within the Central District of California.

2. Defendant LATHON was employed as a Service/Train Attendant for the National Railroad Passenger Corporation, also known as Amtrak, from 2000 to 2021.

3. Defendant LATHON controlled a prepaid Visa RushCard administered by Green Dot Corporation ending in 8801.

4. The Railroad Retirement Board ("RRB") was an independent federal agency that administers comprehensive disability, retirement-survivor, and unemployment-sickness insurance benefits programs for United States' railroad workers and their families.

5. As an employee of a covered railroad, defendant LATHON was eligible for benefits from RRB.

6. To receive sickness benefits, employees were required to complete and file a Form SI-1a Application for Sickness Benefits within 10 days from the first day benefits are claimed.

7. Employees also were required to submit a Form SI-1b Statement of Sickness, completed by a licensed physician, describing the sickness and including a return-to-work date for the employee.

8. To continue to receive sickness benefits after a 14-day claim period, employees were required to submit a form SI-3 Claim for Sickness Benefits every two weeks. The SI-3 Claim for Sickness Benefits could be submitted online on RRB's website.

1           9. Employees were also required to submit a Form SI-7  
2 Supplemental Doctor's Statement updating RRB on the employee's  
3 condition and providing information on when the employee can return  
4 to work. The SI-7 Supplemental Doctor's Statements were required to  
5 continue receiving benefit payments. A physician completed the Form  
6 SI-7 Supplemental Doctor's Statement, which was used to determine if  
7 employee was still eligible to receive the sickness benefits due to  
8 persisting health condition.

9       B. THE SCHEME TO DEFRAUD

10           10. Beginning no later than September 17, 2014, and continuing  
11 until January 6, 2020, in Riverside County, within the Central  
12 District of California, and elsewhere, defendant LATHON, knowingly  
13 and with intent to defraud, devised, participated in, and executed a  
14 scheme to defraud the RRB by means of materially false and fraudulent  
15 pretenses, representations, and promises, and the concealment of  
16 material facts.

17           11. The fraudulent scheme operated, in substance, in the  
18 following manner:

19               a. Defendant LATHON would visit a medical professional,  
20 complaining of pain or anxiety.

21               b. Defendant LATHON would obtain documentation from the  
22 medical professional, or that person's office relating to her initial  
23 visit.

24               c. Defendant LATHON would submit a Form SI-1a Application  
25 for Sickness Benefits relating to her initial visit to the medical  
26 professional.

27               d. Defendant LATHON would obtain and file forged and  
28 materially false forms SI-3 Claim for Sickness Benefits and false

1 forms SI-7 Supplement Doctor's Statement, falsely representing that  
2 she had been seen by a medical professional, falsely representing  
3 that the medical professional had signed the forms, and falsely  
4 representing that the medical professional had provided a new return  
5 to work date for defendant LATHON, thereby extending the period of  
6 time she would receive RRB sickness benefits.

7 e. As a result of defendant LATHON's misrepresentations,  
8 RRB, through the United States Treasury, made electronic transfers of  
9 funds, which constituted sickness benefits, to defendant LATHON's  
10 bank account.

11 f. Defendant LATHON directed the sickness benefits to  
12 personal bank accounts that she controlled.

13 g. In connection with this scheme to defraud, defendant  
14 LATHON obtained approximately \$63,047.39 in fraudulent sickness  
15 benefit payments from RRB.

16 C. USE OF THE WIRES

17 12. On or about August 21, 2019, in Riverside County, within  
18 the Central District of California, and elsewhere, defendant LATHON  
19 and others known and unknown to the United States Attorney, for the  
20 purpose of executing the above-described scheme to defraud,  
21 transmitted and caused the transmission by means of wire  
22 communication in interstate commerce, namely, \$675.67 of sickness  
23 benefit funds, from the United States Treasury in Salt Lake City,  
24 Utah to a prepaid Visa RushCard account administered by Green Dot  
25 Corporation ending in 8830 in Los Angeles, California.

FORFEITURE ALLEGATION

[18 U.S.C. § 981(a)(1)(C) and 28 U.S.C. § 2461(c)]

1. Pursuant to Rule 32.2 of the Federal Rules of Criminal Procedure, notice is hereby given that the United States of America will seek forfeiture as part of any sentence, pursuant to Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States Code, Section 2461(c), in the event of any defendant's conviction of any of the offenses set forth in this Information.

2. Any defendant so convicted shall forfeit to the United States of America the following:

(a) All right, title, and interest in any and all property, real or personal, constituting, or derived from, any proceeds traceable to the offense; and

(b) To the extent such property is not available for forfeiture, a sum of money equal to the total value of the property described in subparagraph (a).

3. Pursuant to Title 21, United States Code, Section 853(p), as incorporated by Title 28, United States Code, Section 2461(c), any defendant so convicted shall forfeit substitute property, up to the value of the property described in the preceding paragraph if, as the result of any act or omission of said defendant, the property described in the preceding paragraph or any portion thereof (a) cannot be located upon the exercise of due diligence; (b) has been transferred, sold to, or deposited with a third party; (c) has been placed beyond the jurisdiction of the court; (d) has been

//

//

1 substantially diminished in value; or (e) has been commingled with  
2 other property that cannot be divided without difficulty.

3 E. MARTIN ESTRADA  
4 United States Attorney

5 

6 SCOTT M. GARRINGER  
7 Assistant United States Attorney  
8 Chief, Criminal Division

9 SEAN D. PETERSON  
10 Assistant United States Attorney  
11 Chief, Riverside Branch Office

12 BYRON R. TUYAY  
13 Assistant United States Attorney  
14 Riverside Branch Office  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28